



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

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Third District

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Fifth District

November 22, 2013

To: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

POST OCCUPANCY PROJECT (ITEM NO. 9, AGENDA OF JUNE 11, 2013/ITEM NO. 2, AGENDA OF JULY 23, 2013)

This is in response to the Board's motion on June 11, 2013, directing the Chief Executive Officer to report back with proposed criteria to determine the best use of vacated County buildings. More specifically, the Board directed that the criteria:

- 1) consider costs and consistency with master planning efforts;
- 2) define and quantify post occupancy costs;
- 3) provide guidelines on granting gratis use of vacated buildings by non-profit community groups; and
- 4) address ongoing operational and maintenance costs of buildings that are occupied under such gratis arrangements.

Consistency with Master Plans

The degree to which a vacated building can be successfully integrated into a previously approved Master Plan should be a primary factor in the determination of its future use. Master Plans represent the Board's vision of a County site's purpose and use for the following 10 to 60 years and serve as a blueprint for development of that site. A decision regarding the future use of a vacated building by the County or an independent entity should consider if the project is consistent with the Master Plan, can be integrated into the Master Plan, or impedes the Master Plan's implementation.

"To Enrich Lives Through Effective And Caring Service"

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Post Occupancy Costs

Under current County practice, departments vacating a County building retain responsibility for maintenance and security of the vacated building until the building is reoccupied. Costs that are typically incurred while a building is unoccupied include maintenance of mechanical, electrical, and plumbing systems and the provision of security.

Such costs can vary broadly based on the size and type of building. To quantify the ongoing costs associated with a vacated building, the Chief Executive Office and Internal Services Department should conduct an assessment of such requirements and costs prior to vacation of the building. The assessment should be reviewed with the vacating department and the costs incorporated into the department's operating budget. A decision to close or reuse vacated County space should consider the ongoing maintenance costs identified in the assessment, programmatic priorities under consideration by the department and the Board, and the future use of the vacated building in any Master Plan that has been previously adopted by the Board.

Gratis Leases

Use of vacated County space by a non-profit community based organization has been accomplished through the execution of a "gratis" lease. Such a lease is authorized under Government Code Section 26227, which allows the Board of Supervisors to make property that will not be needed for County purposes, available to a public agency, nonprofit corporation, or nonprofit association to house programs that are deemed to meet the social needs of the County's population.

Under a gratis lease, the County has previously established rent at a nominal amount per year. The balance of any fair market rental value is considered offset by the public benefits that are provided by the lessee's program. The lessee's responsibilities also include:

- funding and performance of any required tenant improvements;
- ensuring any such improvements meet State and local building code requirements;
- funding and performance of daily custodial activities;
- funding of building utilities;
- funding and performance of program activities; and
- maintenance of insurance per County guidelines

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The County is normally responsible for maintenance of the building's infrastructure, including the roof; exterior walls; and mechanical, electrical, and plumbing systems.

The Board ultimately has discretion over each project based on its own unique set of circumstances and will require coordination between County departments, participating jurisdictional agencies, and other outside entities to implement successful and efficient services to the public.

If you have any questions, please contact Santos Kreimann at (213) 974-1186.

WTF:SHK:DJT
DM:zu

c: Executive Office, Board of Supervisors
County Counsel
Department of Health Services